



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Katy Allen

**SUBJECT: PUBLIC WORKS RESOURCE
PLANNING STRATEGIES AND
ACCOMPLISHMENTS**

DATE: 06-01-05

Approved	/s/	Date	06/02/05
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During the Budget Study Session, questions arose related to Public Works staffing levels and contracting-in efforts. Similar issues were raised with information that was recently transmitted to the City Council regarding Public Works staffing levels.

This memorandum outlines key strategies Public Works Department Management Team has implemented to deliver capital program commitments and management practices to best align existing employees with workload activity.

BACKGROUND

The passage of Measure O (Library) and P (Parks) Bonds in November 2000 officially marked the beginning of the Decade of Investment. The subsequent passage of Public Safety Bond, the New City Hall Bond and the Airport expansion project significantly increased the workload demand for the Public Works Department.

The following three key strategies were established to manage staffing resources and efficiently deliver the capital program:

- ❑ Utilize a multi-tiered Staffing Model to ensure the proper alignment of staffing requirements at the project level, at the funding level and also at the position classification levels.
- ❑ Strengthening the management and accountability of project cost control processes. Utilize consultants where specialized expertise is required, or in the case of responding to “Peak” workload.
- ❑ Implement flexibility in the staffing plan and utilize redeployment opportunities in response to changes in the CIP, General Fund and Fee Programs.

We recently completed a back-check on employee workloads in our City Facilities & Architectural Division (CFAS). Employees in this division are committed to delivering a large number of projects that include libraries, parks, community centers, pedestrian trails, fire and police facilities and numerous other miscellaneous projects. However, we found a need to better distribute and equalize work assignments. To address this issue we have consolidated management oversight to improve coordination and equalize work activities.

ACCOMPLISHMENTS

The following policies and systems have been fully developed and implemented:

- ❑ A Staffing Model, residing in the Capital Project Management System, was developed to manage staffing resources by project and by classifications. Staffing resources are estimated based on a project's budget, scope and schedule. The model was developed to ensure proper alignment of project resources with workload.
- ❑ A Public Works Indirect Cost Allocation Plan was implemented in FY 03-04. The goal of the Cost Allocation Plan was to ensure equitable distribution of costs, improve accountability and improve cost management. The Plan fully accounts for staffing and cost of PW capital program supporting functions.
- ❑ A Contracting-In Process was implemented in the spring of 2004. The process helps identify and pursue opportunities to in-source (or "contract-in") various services. The Contracting-In Process requires justification for not using City staff prior to initiating a request for consultant services. Public Works staff, along with other Departments and the City Manager's Office, have been meeting with the unions on a monthly basis to ensure that contracting-in opportunities are maximized.
- ❑ Communication with Employees and Unions - Throughout the development of the staffing plan, employees and the unions have been kept informed. This process is discussed in an information memo to the Council on Design Build Status/AEA Coordination dated January 8, 2005 (see attached).
- ❑ Performance Measure related to on-time and within Budget - Overall our strategy has had positive results. Public Works has been able to maintain a 76 percent on-time delivery during peak workloads with 91 percent of projects delivered within the approved budget.

SUMMARY

The primary objective of the staffing plan process is to align staffing resources with project workload. With the build up of the capital program beginning in 2001-02, the Department's strategy was to meet this build up through a combination of staff increases and the usage of consultant services. The use of consultants was included in the staffing plan at initial plan development stage.

The decline of capital program, since its peak in FY 02-03, necessitates the reduction in both consultant usage and Department positions. Accordingly, the number of positions in the Department has been reduced by 21 percent, and consultant service usage has been reduced 60 percent by dollar.

We will continue to monitor very carefully staffing levels, opportunities for organizational efficiency and balancing work assignments.

Please contact Assistant Director Dave Sykes or myself for questions or detailed information regarding the policies, process and/or systems reported in this memo.

/s/

KATY ALLEN

Director, Public Works Department

DS/AC/jb
g: Council/MBA

Attachment



SENT TO COUNCIL: _____

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen

**SUBJECT: DESIGN BUILD STATUS /
AEA COORDINATION
(CR 12-14-04-3.8 and CR 11-30-04-2.15)**

DATE: 01-26-05

Approved /s/

Date 02/02/05

INFORMATION

BACKGROUND

On November 30, 2004, Council approved a consultant agreement for the design of the Fire Station #17 improvements. Council requested that staff develop a process to coordinate recommendations for consultant services with the Architects and Engineers Association (AEA/IFPTE21). On December 14, 2004, Council approved the implementation ordinance for the design build charter amendment (Measure D). Council requested that staff provide a report regarding future coordination with the AEA in the design-build process.

This report provides information on the process that will be used for involving AEA in decisions for the use of outside consultants and Measure D implementation, with the goal of maximizing the utilization of in-house resources.

Proposed Process

The consultant selection procedures and design build implementation ordinance currently provide a number of areas where stakeholders are provided opportunities to be involved in the process. These opportunities are listed in Attachment A. In addition to these opportunities, staff is focusing on three key areas to maintain open and effective communications with AEA:

- Early involvement in resource planning and decisions.
- Maintaining regular two-way information flow.
- Maintaining a flexible approach to maximize the utilization of City staff.

Early Involvement

Staff will begin to engage AEA early in the planning process for each fiscal year by having an interactive dialogue on proposed Departmental staffing plans. These staffing plans are prepared and finalized in the February to April time frame, as part of the budget process, and are the planning tools used to determine whether or not consultant services will be needed. Staff will work with AEA to address their input on these plans.

Information Exchange

Staff will maintain an on-line list of “candidate” projects that staff is analyzing for design-build implementation under Measure D. Staff will solicit feedback from stakeholder groups on the pros and cons of using the design-build procurement process permitted by Measure D for these projects and will consider this feedback when developing recommendations to the Council regarding these candidate projects.

Flexibility

Staff will strive to maintain a flexible and dynamic communication process with AEA relating to project staffing and delivery methods. Because of the uniqueness of each project, timelines often change requiring management to address staffing assignments on an on-going basis. Staff will continue to work with AEA to discuss these changes that may have impacts on their members. Staff will continue to recommend the use of consultants for work that exceeds our base workload as a strategy to maintain a steady City workforce and avoid layoffs.

OTHER ISSUES RAISED BY AEA

Staff will include provisions in all RFP’s aimed at maintaining high quality design and construction and at ensuring that relevant laws, policies and regulations are adhered to by the design-build entity.

Staff will implement benchmarking procedures for Design Build projects similar to performance targets for traditional design-bid-build projects. Attainment of cost, time, quality and other goals will be measured and tracked in accordance with the same methods and procedures used for traditional design-bid-build projects. Because it is anticipated that there will be a relatively small number of projects that use the new charter provisions, it is proposed that a separate report be provided to Council for each project and the project compared to industry standards.

UPDATE ON MANAGER'S BUDGET ADDENDUM #49

Manager's Budget Addendum #49, dated May 28, 2004, identified six candidate projects for consideration for using the Measure D Design Build project delivery method. As part of the on-going effort to keep AEA informed of Measure D project activity, the following is a brief status report on these projects:

1. Airline Maintenance Facility – a consultant has been retained to assist staff with this project. The consultant is currently developing preliminary concepts for the facility and will, subsequently, assist staff with a cost/schedule analysis to determine whether a competitive RFP design-build procurement process would meet the requirements of Measure D. If the analysis supports proceeding with the project under the Measure D procurement process and the Council agrees with this finding, then the consultant will prepare an RFP for Council approval.
2. North Concourse Baggage System – Airport Program Management staff has completed a preliminary analysis for this project. The analysis indicates that a low bid procurement process is preferable for this project rather than the competitive RFP design-build process allowed under Measure D. A presentation of Airport procurement strategies is scheduled for an upcoming Council workshop. Staff is currently preparing bid documents for a “low-bid” project and expects to issue these documents for bids in March 2005.
3. North Concourse Information Technology System – Airport Program Management staff has completed a preliminary analysis for this project and has determined that it does not include construction work. Based on this analysis, staff is preparing a Request for Proposals for a General Services type of procurement process, similar to the new process developed for the City Hall converged network.
4. Singleton Sports Park - the project is currently in the Master Planning phase. Analysis of project delivery options will be performed upon completion of the Master Plan.
5. Public Safety Driver Training Center - the project is currently in the planning phase. Analysis of project delivery options will be performed upon completion of the Master Plan.
6. Fourth Major Interceptor Phase VI - the project is currently in the planning phase. Analysis of project delivery options will be performed upon completion of the Master Plan.

Two other projects have recently been suggested for consideration for Design Build as follows:

1. Airport Taxiway Yankee Reconstruction – this project was previously proposed for funding in FY 2006-07. However, because of the availability of Federal monies, this project may be recommended for implementation in FY 2005-06. A requirement of the Federal grant is that a bid for the project be opened prior to August 2005. A preliminary assessment of this project indicates that a “low bid” Design Build approach may be preferable to the “Competitive RFP” Design Build approach that is permitted under Measure D. Federal grant requirements mandate the use of competitive bids, rather than RFP’s. Staff is currently preparing bid documents for a “low-bid” project and expects to issue these documents for bids in June 2005.
2. Central Service Yard Phase 2 - this project was also previously proposed for funding in FY 2006-07. However, because of interest in moving forward with the Japantown Redevelopment of the Main Yard, it has been suggested a Design Build may be an appropriate solution for moving this project forward quickly. Additional analysis will be performed on this project prior to final recommendations.

Staff has met with AEA to review the information in this memo and they acknowledged the proposed approach.

/s/
Katy Allen
Director, Public Works Department

DC:jb
g: Council-INFO DB Status

Attachments

DESIGN BUILD STATUS / AEA COORDINATION

Opportunities for public involvement in Design Build projects currently required under Design Build Ordinance and other Policies:

1. Prior to initiating a request for consultant services, staff does analysis to ensure that it is appropriate to use outside consultants rather than in-house staff. The written results of this analysis are provided to interested unions and discussed.
2. When consultant services are necessary, RFQ's and RFP's are published and are available for public comment. This is a required outreach component included in the Council approved policy for architectural and engineering consultant services.
3. Public distribution will be made of staff's analysis of whether or not a project meets the criteria for eligibility under the charter, prior to Council deciding to proceed with this project delivery method.
4. Public distribution will be made of proposed selection criteria and RFP provisions prior to Council approval.
5. Public distribution will be made of evaluations and scoring of Design Build entity proposals prior to Council selection of a Design Build entity.
6. Public distribution will be made of the terms and conditions of negotiated Design Build contracts prior to Council awarding contracts.

PUBLIC WORKS DEPARTMENT STAFFING PLAN PROCESS/TIMELINE

